



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

[A-583-856]

Certain Corrosion-Resistant Steel Products from Taiwan: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, In Part

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (“Department”) determines that certain corrosion-resistant steel products (“corrosion-resistant steel”) from Taiwan are being, or are likely to be, sold in the United States at less than fair value (“LTFV”), as provided in section 735(a) of the Tariff Act of 1930, as amended (“the Act”). The period of investigation (“POI”) is April 1, 2014, through March 31, 2015. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Shanah Lee or Paul Stolz, AD/CVD

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SUPPLEMENTARY INFORMATION:

Background

On January 4, 2016, the Department published the *Preliminary Determination* of this antidumping duty (“AD”) investigation and invited parties to comment.<sup>1</sup> As provided in section

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<sup>1</sup> See *Certain Corrosion-Resistant Steel Products from Taiwan: Negative Preliminary Determination of Sales at Less Than Fair Value*, 81 FR 72 (January 4, 2016) (“*Preliminary Determination*”). See also *Antidumping Duty Investigations of Corrosion-Resistant Steel Products from India, Italy, the People’s Republic of China, the Republic*

782(i) of the Act, in January and April 2016, the Department verified the sales and cost data reported by Prosperity Tieh Enterprise Co., Ltd. (“PT”), Yieh Phui Enterprise Co., Ltd. (“YP”), and Synn Industrial Co., Ltd. (“Synn”). In April 2016, Petitioner,<sup>2</sup> YP, and PT submitted case briefs and rebuttal briefs. For a complete discussion of the events that occurred since the *Preliminary Determination*, see the Issues and Decision Memorandum.<sup>3</sup>

Also, as explained in the memorandum from the Acting Assistant Secretary for Enforcement and Compliance, the Department exercised its authority to toll all administrative deadlines due to the recent closure of the Federal Government.<sup>4</sup> As a consequence, all deadlines in this segment of the proceeding have been extended by four business days. The revised deadline for the final determination is now May 24, 2016.

#### Scope of the Investigation

The product covered by this investigation is corrosion-resistant steel from Taiwan. For a complete description of the scope of this investigation, see the “Scope of the Investigation,” in Appendix II of this notice.

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*of Korea, and Taiwan: Notice of Correction to Preliminary Antidumping Determinations*, 81 FR 6236 (February 5, 2016) (“*Scope Correction Notice*”).

<sup>2</sup> Petitioners are United States Steel Corporation, Nucor Corporation, ArcelorMittal USA, AK Steel Corporation, Steel Dynamics, Inc., and California Steel Industries, Inc. AK Steel Corporation was the only Petitioner to file comments in this case.

<sup>3</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Certain Corrosion-Resistant Steel Products from Taiwan,” dated concurrently with this notice (“Issues and Decision Memorandum”).

<sup>4</sup> See Memorandum to the File from Ron Lorentzen, Acting A/S for Enforcement & Compliance, “Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas” dated January 27, 2016.

## Scope Comments

In accordance with the Preliminary Scope Determination,<sup>5</sup> the Department set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues.

For a summary of the product coverage comments and rebuttal responses submitted to the record of this final determination, and accompanying discussion and analysis of all comments timely received, *see* the Final Scope Decision Memorandum.<sup>6</sup> The Final Scope Decision Memorandum is incorporated by, and hereby adopted by, this notice.

## Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum, which is incorporated by reference and hereby adopted by this notice. A list of the issues raised is attached to this notice as Appendix I. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS"). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, room B-8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

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<sup>5</sup> *See* Memorandum to Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Certain Corrosion-Resistant Steel Products From the People's Republic of China, India, Italy, the Republic of Korea, and Taiwan: Scope Comments Decision Memorandum for the Preliminary Determinations," dated December 21, 2015 ("Preliminary Scope Decision Memorandum"). *See also* Memorandum to the File, "Certain Corrosion-Resistant Steel Products From the People's Republic of China, India, Italy, the Republic of Korea, and Taiwan: Correction to Preliminary Determination Scope Memorandum," dated January 29, 2016.

<sup>6</sup> *See* Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Scope Comments Decision Memorandum for the Final Determinations," dated concurrently with this notice.

### Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations. For a discussion of these changes, *see* the Issues and Decision Memorandum. We have also revised the all-others rate.

### Final Determination of Affiliation and Collapsing

We continue to find that YP and Synn are affiliated pursuant to section 771(33)(E) of the Act and should be collapsed together and treated as a single company, pursuant to the criteria laid out in 19 CFR 351.401(f).<sup>7</sup> Additionally, for these final results, we have determined that PT is also affiliated with Synn, pursuant to section 771(33)(E) of the Act<sup>8</sup> and the three companies should be collapsed together and treated as a single company (collectively, “PT/YP/Synn”), pursuant to the criteria laid out in 19 CFR 351.401(f).<sup>9</sup>

### All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated all-others rate shall be an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding any zero or *de minimis* margins, and margins determined entirely under section 776 of the Act. In this case, we found the mandatory respondents to be collapsed as a single company, PT/YP/Synn, whose margin is calculated from its own sales and production data and which is not zero or *de minimis* or based entirely on facts available. Therefore, we are assigning PT/YP/Synn’s calculated margin as the all-others rate in accordance with section 735(c)(5)(A) of the Act.

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<sup>7</sup> See *Preliminary Determination*, 81 FR at 73 and Memorandum to Erin Begnal, Director, Office III, “Less Than Fair Value Investigation of Certain Corrosion-Resistant Steel Products from Taiwan: Preliminary Affiliation and Collapsing Memorandum for Yieh Phui Enterprise Co., Ltd.,” dated December 21, 2015. See also Issues and Decision Memorandum at Comment 3.

<sup>8</sup> We have also determined that PT and YP are affiliated under section 771(33)(A) of the Act.

<sup>9</sup> See Memorandum to Eric Greynolds, Acting Director, Office III, “Less Than Fair Value Investigation of Certain Corrosion-Resistant Steel Products from Taiwan: Final Affiliation and Collapsing Memorandum,” dated concurrently with this notice. See also Issues and Decision Memorandum at Comment 3.

## Final Determination

The Department determines that the final weighted-average dumping margins are as follows:

Exporter/Producer	Weighted-Average Margin (percent)
Prosperity Tieh Enterprise Co., Ltd., Yieh Phui Enterprise Co., Ltd., and Synn Industrial Co., Ltd. (collectively, “PT/YP/Synn”)	3.77
All-Others	3.77

## Disclosure

We intend to disclose the calculations performed within five days of the publication of this notice to interested parties, in accordance with 19 CFR 351.224(b).

## Final Affirmative Determination of Critical Circumstances, In Part

On October 29, 2015, the Department found that critical circumstances do not exist for merchandise exported by PT and YP, but do exist for “all others.”<sup>10</sup> Based on the final sales data submitted by PT/YP/Synn and further analysis following the *Preliminary Critical Circumstances Determination*, we are not modifying our findings for the final determination.<sup>11</sup> We continue to find that critical circumstances do not exist for PT/YP/Synn, but that critical circumstances do exist for the “all others.” For a complete discussion of this issue, *see* the “Final Determination of Critical Circumstances, In Part” section of the Issues and Decision Memorandum.

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<sup>10</sup> See *Antidumping and Countervailing Duty Investigations of Corrosion-Resistant Steel Products from India, Italy, the People’s Republic of China, the Republic of Korea, and Taiwan: Preliminary Determination of Critical Circumstances*, 80 FR 68504, (November 5, 2015) (“*Preliminary Critical Circumstances Determination*”).

<sup>11</sup> As explained in the Issues and Decision Memorandum, however, YP did not report sales for December 2015. We have used the highest total reported export figure for a single month for YP and PT as adverse facts available for December 2015. Even with this adverse facts assumption, we still find that PT/YP/Synn, which are collapsed together, did not have massive imports in the comparison period.

### Suspension of Liquidation

In accordance with section 735(c)(1)(B) and (C) of the Act, the Department will instruct U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of corrosion-resistant steel from Taiwan, as described in Appendix II of this notice, which were entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final determination. Because of our affirmative determination of critical circumstances for “all others,” in accordance with section 735(a)(3) and (c)(4)(C) of the Act, suspension of liquidation of corrosion-resistant steel from Taiwan, as described in the “Scope of the Investigation” section, shall apply, for “all others,” to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice, the date suspension of liquidation is first ordered for “all others.”

Further, CBP shall require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price, as follows: (1) for the exporters/producers listed in the table above, the cash deposit rates will be equal to the dumping margin which the Department determined in this final determination;<sup>12</sup> (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 3.77 percent. These instructions suspending liquidation will remain in effect until further notice.

### ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final

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<sup>12</sup> Because the Department is making a negative determination in the companion countervailing duty (“CVD”) investigation of corrosion-resistant steel from Taiwan, we are not adjusting the cash deposit rate for export subsidies given that there will be no cash deposit rates collected in the companion CVD investigation. See section 772(c)(1)(C) of the Act.

determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of corrosion-resistant steel from Taiwan no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders (“APO”)

This notice serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: May 24, 2016.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

## **Appendix I**

### **List of Topics Discussed in the Issues and Decision Memorandum**

#### **I. Summary**

- II. Background
- III. Scope of the Investigation
- IV. Final Determination of Critical Circumstances, In Part
- V. List of Comments
- VI. Discussion of the Issues

- Comment 1: Whether to Apply AFA to PT's and Synn's Misclassified Sales
- Comment 2: Whether to Disregard YP/Synn's Home-Market Rebates
- Comment 3: Whether to Continue to Collapse YP and Synn for the Final Determination and Whether to Also Collapse YP/Synn with PT
- Comment 4: Whether to Adjust YP's Coil Costs
- Comment 5: Whether to Offset YP's G&A Expenses for Insurance Proceeds
- Comment 6: Whether to Offset PT's G&A Expense Ratio by Including Additional Non-operating Income Items

#### **VII. Recommendation**



## Attachment II

### Scope of the Investigation

The products covered by this investigation are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, *etc.*). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

- (1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and
- (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, *etc.*), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (“IF”)) steels and high strength low alloy (“HSLA”) steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Furthermore, this scope also includes Advanced High Strength Steels (“AHSS”) and Ultra High Strength Steels (“UHSS”), both of which are considered high tensile strength and high elongation steels.

Subject merchandise also includes corrosion-resistant steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope corrosion resistant steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this investigation:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (“terne plate”), or both chromium and chromium oxides (“tin free steel”), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the investigation may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500,

7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

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